CONTENTS

	Page
ECONOMIC REPORT OF THE PRESIDENT	1
ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS*	7
CHAPTER 1. THE YEAR IN REVIEW AND THE YEARS AHEAD	23
CHAPTER 2. PRODUCTIVITY GROWTH	45
CHAPTER 3. PRO-GROWTH TAX POLICY	63
CHAPTER 4. THE FISCAL CHALLENGES FACING MEDICARE	85
CHAPTER 5. CATASTROPHE RISK INSURANCE	105
CHAPTER 6. THE TRANSPORTATION SECTOR: ENERGY AND INFRASTRUCTURE USE	125
CHAPTER 7. CURRENCY MARKETS AND EXCHANGE RATES	149
CHAPTER 8. INTERNATIONAL TRADE AND INVESTMENT	167
CHAPTER 9. IMMIGRATION	189
APPENDIX A. REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2006	207
APPENDIX B. STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION	221

* *For a detailed table of contents of the Council's Report, see page 11*

FEB

2007